NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE CASH MARKETS (8/1):
BUTTER: Grade AA closed at $1.2250. The weekly average for Grade AA is $1.2200 (-.0017).
CHEESE: Barrels closed at $1.5800 and blocks at $1.6000. The weekly average for barrels is $1.5400 (+.0720) and blocks, $1.5825 (+.0765).
NONFAT DRY MILK: Extra Grade closed at $0.8400 and Grade A at $0.8400. The weekly average for Extra Grade is $0.8400 (N.C.) and Grade A, $0.8400 (N.C.).

BUTTER: The market tone is firm as cream supplies have tightened considerably from coast to coast. Churning activity is lighter in much of the country with fresh butter demand remaining strong. In most instances, current churning activity is not keeping pace with demand and inventoried stocks and CME cash purchases are being used to supplement orders. Sales activity at the CME has been moderate during recent trading sessions. Demand for butter is generally steady at retail and for food service needs.

CHEESE: The cheese market remains firm. Current cheese prices are the highest in nearly 2 years. Many in the industry are concerned about where prices will peak. Current cheese supplies are generally tight to short of needs. Many manufacturers are having difficulty in filling orders. Heat stress on cows has reduced milk supplies and shortened plant operating schedules. Fat and protein tests are also lower seasonally, reducing cheese yields.

FLUID MILK: National milk production is steady to lower. Declines are most notable in the Southern sector of the nation with shipments from areas in the North supplanting supply deficiencies. For the first time since January, Florida handlers imported milk. Average fat and protein levels are seasonally lower. Class I sales are improved as some schools re-open in the South and in light of retail promotions in the Midwest. Demand for fluid milk into manufacturing facilities is strong with supplies often short of buyer interest. Class II condensed skim demand is steady. Movement of Class III condensed skim is expected to slow in August as higher prices are realized. Cream supplies are tight. Some buyers are being shorted on their contractual loads. Cream prices are generally higher in response to the higher CME AA butter price. Multiples are trending mostly steady.

DRY PRODUCTS: Dry product markets are trending firm. Seasonally reduced milk supplies and increased milk intakes into Class III facilities are decreasing available supplies of NDM. CCC NDM purchases are declining as industry continues to await the impact of resale CCC NDM from the cheese exchange. Buttermilk supplies are tight with prices up to 4 cents higher compared to last week. Whey supplies are most limited in the West. Resale markets are aggressive while the direct manufacturer spot market is light to fair. WPC and lactose prices moved higher. Supplies of WPC and lactose are in balance to tight for the good interest.

CCC: During the week of July 28 – August 1, CCC purchased 11,228,939 net pounds of nonfortified NDM. A total of 11,352,397 pounds came from the West and 123,458 pounds were cancelled from the East. A total of 105,784 pounds of fortified NDM was also cancelled from the West.

CONSUMER PRICE INDEX (BLS): The June CPI for all food is 179.6, 2.2% above June 2002. The dairy products index at 163.9, is 2.4% lower than last June. The following are the June to June changes for selected products: fresh whole milk -2.6%, cheese -1.1%, and butter -7.5%.

COMMERCIAL DISAPPEARANCE (ERS, AMS): Commercial disappearance of dairy products during March-May 2003 totals 43.6 billion pounds, 2.1% higher than the same period in 2002. Comparing disappearance levels with year earlier levels: butter is +2.8%, American cheese, -0.1%, other cheese, +0.7%, NDM, -5.4%, and fluid milk products, -0.3%.

CLASS AND COMPONENT PRICES (DAIRY PROGRAMS): The following are the July 2003 prices under the Federal Milk Order pricing system with changes from the previous month: Class II $10.63 (+$0.17), Class III $11.78 (+$2.03); and Class IV $9.95 (+$0.19). Product price averages used in computing Class prices are: butter $1.1196, NDM $0.8072, cheese $1.3497, and dry whey $0.1470. The Class II butterfat price is $1.2125 and the Class III/IV butterfat price is $1.2055. Further information may be found at:
http://www.ams.usda.gov/dyfmos/mib/classprcacnmt.pdf

****SPECIAL THIS ISSUE****

CHICAGO MERCANTILE EXCHANGE
CASH TRADING

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY JULY 28	TUESDAY JULY 29	WEDNESDAY JULY 30	THURSDAY JULY 31	FRIDAY AUGUST 1	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	$1.5000 (N.C.)	$1.5000 (N.C.)	$1.5400 (+.0400)	$1.5800 (+.0400)	$1.5800 (N.C.)	+.0800	$1.5400 (+.0720)
40# BLOCKS	$1.5525 (+.0225)	$1.5700 (+.0175)	$1.5900 (+.0200)	$1.6000 (+.0100)	$1.6000 (N.C.)	+.0700	$1.5825 (+.0765)
BUTTER							
GRADE AA	$1.2150 (+.0050)	-----	$1.2200 (+.0050)	-----	$1.2250 (+.0050)	+.0150	$1.2200 (-.0017)

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM **(NOTE: The NDM daily/weekly prices are reported here when changes occur. The Extra Grade price is $.8400 and Grade A price is $.8400. NDM information remains available at the above internet address.)**

CHICAGO MERCANTILE EXCHANGE

MONDAY, JULY 28, 2003

CHEESE -- SALES: 4 CARS 40# BLOCKS: 1 @ $1.5450, 1 @ $1.5425, 1 @ $1.5500, 1 @ $1.5525; BIDS UNFILLED: 4 CARS 40# BLOCKS: 1 @ $1.5400, 1 @ $1.5375, 1 @ $1.5350, 1 @ $1.5325; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ $1.5600
BUTTER -- SALES: 6 CARS GRADE AA: 1 @ $1.2150, 1 @ $1.2050, 1 @ $1.2150, 1 @ $1.2125, 1 @ $1.2150, 1 @ $1.2125; BIDS UNFILLED: 11 CARS GRADE AA: 1 @ $1.2150, 1 @ $1.2100, 1 @ $1.2075, 1 @ $1.2050, 1 @ $1.2025, 3 @ $1.2000, 1 @ $1.1800, 1 @ $1.1700, 1 @ $1.1600; OFFERS UNCOVERED: 3 CARS GRADE AA: 1 @ $1.2250, 1 @ $1.2400, 1 @ $1.2500

TUESDAY, JULY 29, 2003

CHEESE -- SALES: 3 CARS 40# BLOCKS: 1 @ $1.5575, 1 @ $1.5625, 1 @ $1.5700; BIDS UNFILLED: 7 CARS 40# BLOCKS: 1 @ $1.5700, 1 @ $1.5675, 1 @ $1.5650, 1 @ $1.5625, 1 @ $1.5600, 1 @ $1.5575, 1 @ $1.5550; OFFERS UNCOVERED: NONE

WEDNESDAY, JULY 30, 2003

CHEESE -- SALES: 1 CAR 40# BLOCKS @ $1.5875; BIDS UNFILLED: 2 CARS BARRELS: 1 @ $1.5400, 1 @ $1.5300; 8 CARS 40# BLOCKS: 1 @ $1.5900, 1 @ $1.5875, 1 @ $1.5850, 1 @ $1.5825, 1 @ $1.5800, 1 @ $1.5775, 1 @ $1.5750, 1 @ $1.5725; OFFERS UNCOVERED: NONE
BUTTER -- SALES: 6 CARS GRADE AA: 3 @ $1.2225, 2 @ $1.2250, 1 @ $1.2200; BIDS UNFILLED: 9 CARS GRADE AA: 1 @ $1.2200, 1 @ $1.2175, 2 @ $1.2150, 2 @ $1.2125, 2 @ $1.2100, 1 @ $1.2075; OFFERS UNCOVERED: 3 CARS GRADE AA: 1 @ $1.2325, 1 @ $1.2350, 1 @ $1.2400

THURSDAY, JULY 31, 2003

CHEESE -- SALES: 4 CARS 40# BLOCKS @ $1.6000; BIDS UNFILLED: 1 CAR BARRELS @ $1.5800; 5 CARS 40# BLOCKS: 1 @ $1.6000, 1 @ $1.5975, 1 @ $1.5950, 1 @ $1.5925, 1 @ $1.5900; OFFERS UNCOVERED: NONE

FRIDAY, AUGUST 1, 2003

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
BUTTER -- SALES: 9 CARS GRADE AA: 1 @ $1.2175, 1 @ $1.2225, 1 @ $1.2200, 1 @ $1.2225, 1 @ $1.2250, 2 @ $1.2200, 1 @ $1.2225, 1 @ $1.2250; BIDS UNFILLED: 11 CARS GRADE AA: 2 @ $1.2200, 3 @ $1.2150, 1 @ $1.2125, 2 @ $1.2100, 1 @ $1.2000, 1 @ $1.1900, 1 @ $1.1800; OFFERS UNCOVERED: 3 CARS GRADE AA @ $1.2300

BUTTER MARKETS

NORTHEAST

The market tone is firm. At the CME, the butter price moved higher and lower in very active trading last week. Eighty-three loads were sold in the last two trading session of the week. It is likely that the drop in milk production (and resulting loss of cream) in the West caused the improved demand for bulk butter. Eastern producers have little "outside" cream and less of their own moving through their facilities. This is typical for July and August, but this year's loss of cream supply has been rather abrupt. Demand for butter is generally steady at retail and for food service needs. Producers are starting to microfix bulk to meet packaged butter orders. Sales of bulk butter f.o.b. East, are reported in a range of flat market to 4 cents over the CME price/average.

CENTRAL

At midweek, the cash butter price at the CME rebounded to $1.2200. The market tone is firm as cream supplies have tightened considerably in the past week. However, ample inventories continue to "hang" over the market and, to date, are keeping prices from rapidly moving higher. Churning activity is lighter in much of this region. Last week, cream supplies, as well as milk supplies, tightened considerably. Receipts of cream at churning facilities have been declining since last Wednesday. Demand for butter ranges from slow to fairly good. The need for fresh butter is often going unfilled, but there is plenty of frozen butter available. Retail sales are slow to fair depending on price and/or feature activity. Food service orders are holding at typical summer levels. Bulk butter for spot sale is in a range of flat to 2 cents per pound over various pricing basis.

WEST

There has been heavy trading at the CME butter market during the past three trading sessions, seeing 65 cars of butter sold. At $1.2200, on Wednesday, July 30, the price is down 3 cents from a week ago, but the buying support indicates where buyers want the market price to be. Churning schedules continue to be on a limited basis in the region due to lower milk receipts, less fat in the milk, and continued good sales of cream into other regions and products. Butter inventories are being used to supplement contracted butter sales. The spot butter trade is rather inactive with some buyers looking to the CME to fill in shortages. Storage volumes in CME approved warehouses stood at 201.2 million pounds last week. Current prices for bulk butter range from flat market to 3 cents under the market based on the CME with various time frames and averages (includes CCC sales when applicable).

NASS DAIRY PRODUCT PRICES

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	NDM	BUTTER	DRY WHEY
JULY 26	1.4362	1.4406	0.8118	1.1964	0.1507
	9,391,820	10,715,112	32,555,633	2,106,461	12,972,476

Further data and revisions may be found on the internet at: http://jan.mannlib.cornell.edu/reports/nassr/price/dairy

CHEESE MARKETS

NORTHEAST

Prices moved higher this week. The market tone is firm. Eastern cheese production is slowing along seasonal patterns. Reports from Western states indicate a sharp downturn in milk production, which generally means that cheese output will be also trending lower. These reports tended to get cheese prices at the CME moving higher. Cheese supplies are tighter, but demand is just fair in the East. Some renewed interest is starting to show up as distributors and users look ahead to fall and a change back to school-year purchasing habits. Currently, retail sales are fair at best, but chain store buyers are rather aggressive in some of their orders to stay ahead of rising prices. Food service orders remain fairly good at typical summer levels.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.5700-2.0650
Cheddar Single Daisies	:	1.5275-1.9925
Cheddar 40# Block	:	1.6450-1.8925
Process 5# Loaf	:	1.6775-1.8800
Process 5# Sliced	:	1.6975-1.9475
Muenster	:	1.7325-1.9375
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is steady to firm. Cash cheese prices continue to move higher at the Chicago Mercantile Exchange. Current cheddar and other American type supplies remain tight to short of needs for the generally good interest. Some buyers are taking a more cautious approach with new orders, attempting to keep supplies closer to actual sales rather than try to build additional inventory. Mozzarella sales are about steady at moderate to good levels. Summer weather, within the region and especially the West, continues to reduce milk and cheese production. Cheese yields also continue to drift lower seasonally, reflecting lower fat and protein levels. Current cheddar remains tight with most plant operators unable to secure additional milk supplies to help fill orders.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.6475-1.8100
Brick And/Or Muenster 5#	:	1.8600-2.1675
Cheddar 40# Block	:	1.7500-2.1150
Monterey Jack 10#	:	2.0500-2.1250
Blue 5#	:	2.2600-2.5200
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.7900-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.0500-2.6850

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	:	CHEESE
07/28/03	100,385	:	137,361
07/01/03	100,658	:	138,209
CHANGE	-273	:	-848
% CHANGE	N.C.	:	-1

WEST

The market prices for both natural and process cheese items increased at levels mirroring the increases in weekly averages noted on the CME block and barrel markets. So far this week, the barrel price has increased 4 cents and the block price 6 cents. The sustained hot weather in the West is limiting milk production and leaving many producers with less milk than they want for production schedules. Cheddar orders have been mixed but sales are clearing current production. Buyers are becoming more concerned as prices move higher and some are starting to change orders from buying ahead to just buying for weekly needs. Undergrades are available with buyers only willing to pay date of make prices. Mozzarella cheese interest has increased in past weeks and clearing inventories of frozen stocks. Pricing levels are highly negotiable. Swiss cheese activity is fair to good from both retail and food service.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.6175-1.8775
Cheddar 40# Block	:	1.6350-1.9850
Cheddar 10# Cuts	:	1.8150-2.0350
Monterey Jack 10#	:	1.8250-1.9850
Grade A Swiss Cuts 6 - 9#	:	2.2500-2.4600

FOREIGN

Prices are steady to higher and the market tone is unchanged. Retail sales are slow to fair and typical for this time of year. Recent reports indicate that cheese imports during the first half of the year are slightly below year ago levels, which may be partially due to the strength of the Euro. For cheese subject to licensing requirements, January-June imports total 54.016 million KG, down 4.4% from a year ago. Imports of high-tier cheese for the same period total 10.015 million KG, 1.1% less than the first half of 2002.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

	NEW YORK	
VARIETY	IMPORTED	DOMESTIC
Roquefort	TFEWR	-0-
Blue	2.6400-3.7200	1.8650-3.3550*
Gorgonzola	3.6900-5.9400	2.3825-2.4900*
Parmesan (Italy)	TFEWR	3.2750-3.3650*
Romano (Italy)	2.1000-3.1500	-0-
Provolone (Italy)	3.4400-5.5000	1.8725-2.1000*
Romano (Cows Milk)	-0-	3.0625-5.2350*
Sardo Romano (Argentine)	2.8500-3.2900	-0-
Reggianito (Argentine)	2.6900-3.2900	-0-
Jarlsberg-(Brand)	2.7500-3.7900	-0-
Swiss Cuts Switzerland	-0-	2.3500-2.5500
Swiss Cuts Finnish	2.5900-2.8500	-0-
Swiss Cuts Austrian	TFEWR	-0-
Edam		
2 Pound	TFEWR	-0-
4 Pound	2.1900-2.9900	-0-
Gouda, Large	TFEWR	-0-
Gouda, Baby ($/Dozen)		
10 Ounce	27.8000-31.7000	-0-

* = Price change.

FLUID MILK AND CREAM

EAST

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	38	0	0	51	49	0
SOUTHEAST STATES	0	0	0	0	0	0

EDITOR'S NOTE: Due to changes in milk supply agreements, milk import/export totals are not directly comparable to year ago figures and to shipments prior to April 1, 2003.

Milk production is mostly steady throughout the region. Some small gains in output were reported where cooler temperatures eased the stress on cows. Overall, fluid milk supplies are tight. Class I demand is starting to show some improvement in the Southeast where a few schools are opening this week and next. The majority of schools will be opening the second week of August and bottlers are trying to line up milk supplies for those needs. For the first time since January, Florida handlers had to import milk this week. In the Northeast, the weather has been rather mild and the milk flow is about steady. Bottled milk sales are just fair. Surplus milk volumes are much tighter in the South and slightly tighter in the Northeast. Manufacturing schedules are often lighter as most of Florida's milk needs were filled out of a Middle Atlantic source. A few operations expect to have a little more milk in the coming weeks due to the expiration of a fluid milk supply contract. The condensed skim market remains unsettled. Class III prices are high and expected to jump based on prediction of the August Class III skim milk price. Most users of Class III wet solids are looking to NDM as a less expensive substitute. Sales of Class II condensed skim are steady. The fluid cream market is very firm. Last week saw supplies go from a little long early to short of needs by mid-week. The very hot temperatures in California and other Western states "turned off" milk production, which all but halted cream availability. Where many loads of Western cream moved east early in July, almost none were shipped late last week and this week. Some supply plants cancelled their contracts to ship because they did not have enough milk/cream to supply their customers. In the East, buyers were often shorted loads and had to adjust processing schedules accordingly. There was a lot of scrambling to find cream last week and little has changed so far this week. Spot prices are mixed, ranging from lower to higher. The CME average price for butter did increase last week, but multiples are steady to occasionally lower. Ice cream production is seasonally heavy, but cream supply is becoming more of an issue. Cream cheese output is steady to lower. Churning is rebounding slightly now that a churn that was down last week is back on line. However, excess cream volumes are tighter, which limits actual churning schedules.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, $ PER LB BUTTERFAT

F.O.B. Producing Plants: Northeast	-	1.6371-1.8936
Delivered Equivalent Atlanta	-	1.6493-1.8814 M 1.7104-1.8081
F.O.B. Producing Plants: Upper Midwest	-	1.7104-1.8570

PRICES OF CONDENSED SKIM, $ PER LB WET SOLIDS
F.O.B. PRODUCING PLANTS:

Northeast- Class II - includes monthly formula prices	-	.8500- .9300
Northeast- Class III - spot prices	-	1.0000-1.0500

MIDWEST

Class I interest improved at midweek, in part due to retail promotions for around the beginning of the month, and for one bottler, State Fair related "consumer size" orders. Subject to change, some milk was scheduled to get shipped south from an upper Midwest state late this week. The expectation of inverted Class I and Class III Federal Order prices, along with $1.50's cash cheese prices has cheese plant operators loath to give up milk supplies to bottlers. Manufacturing milk demand easily exceeds the limited supply. On a light test, reported spot manufacturing milk prices range from $1.75 to $2.50 net over class. Current milk receipts continue to decline and the average fat and protein levels continue to slip seasonally. Attempts have been made to minimize butter/powder production in multi-plant operations to keep the cheese operations as full as possible. Plant operating schedules continue to decline. Cream demand remains strong even though a couple ice cream operations have reduced schedules temporarily to help balance inventory. Condensed skim prices are steady though Class III will be even higher in August (Friday). Some condensed users have shifted over to reconstituting NDM. Many sections of the upper tier of states need rain for crops to finish and pastures to stay green. Many corn and soybean fields continue to lag in normal maturity. Some fields of winter wheat and oats have been combined in Wisconsin. A few reports indicate increased interest in additional information by some producers in the "C.W.T." program.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	JULY 24 - 30	PREVIOUS YEAR
SLAUGHTER COWS	$ 46.00- 50.00	$ 35.00- 40.00
REPLACEMENT HEIFER CALVES	$300.00-450.00	$350.00-480.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	JULY 24 - 30	PREVIOUS YEAR
SLAUGHTER COWS	$ 48.00- 54.50	$ 35.00- 43.50

WEST

June 2003 pool receipts of milk in CALIFORNIA total 2.979 billion pounds, 0.1% higher than a year prior. Year to date pool receipts are running 2.7% higher than 2002. The June blend price, at a fat test of 3.54%, is $10.03, $0.04 higher than May but $0.44 lower than June 2002. The percentage of receipts used in Class 1 products is 17.55%. The June quota price is $11.17 and the over quota price is $9.47. These prices are $0.12 higher than May but $0.43 lower than a year earlier. CALIFORNIA milk output is steady to lower following rather sharp declines last week due to the hot weather. Current production levels are running 2 to 5% below a year ago. Conditions remained hot into this week with some minor declines in temperatures. Fans and misters are working hard to keep cows comfortable. The fat and solids levels remain low on incoming milk, but are variable depending on cow breed. Plants in the state are running on reduced schedules and taking some unscheduled down days because there is not enough milk. Condensed and products are often being delayed and some loads are being cancelled because of the lack of milk. The monsoon season is hitting parts of Arizona, creating localized thunderstorms with heavy rains. Humidity levels are higher and conditions are not favorable for cow comfort. Milk production is lower. Processing plants are running well despite the weather, but do not have the milk to run efficiently. Hot weather also remains over much of NEW MEXICO. Milk production remains suppressed because of the heat, but total output is higher because of additional cows in the state. Milk is being shipped out of the state on contracts and to the Southeast states to fill shortages. Plants are generally running well on reduced schedules. The cream market is tight and prices holding mostly steady. The availability of fresh cream in the region is limited. Processors would like to sell more, but are limited to filling contracts and future product needs. Demand for cream from ice cream producers in other regions declined this week. The CME Grade AA butter price was at $1.2200 on Wednesday (7/30). Multiples are steady and range from 118 to 139, FOB, depending on class usage. Weather conditions remain unfavorable for milk production in the PACIFIC NORTHWEST. Milk cows continue to suffer because of the conditions and some producers are down up to 5 pounds per cow per day in parts of OREGON. WASHINGTON output in some areas is 2 – 3% lower over the past two weeks. There is a general lack of moisture for irrigation that is concerning future crop growth in the region. Supplies of dairy quality hay are short of needs, but buyers remain reluctant to make purchases because they lack the cash flow. Dairy producers will be more comfortable when they see higher milk prices for an extended period. Milk production levels are lower in both UTAH and IDAHO and processors are seeing reduced milk components and reduced yields. Hot temperatures continue to put stress on cows. Milk is being shipped to other areas to supplement shortages.

NDM, BUTTERMILK & WHOLE MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Prices are higher on a steady to firm market. Seasonal reduction in the milk supply and strong production of cheese is reducing the amount of condensed skim available for NDM production. As condensed skim prices increase with Class prices in August, cheese makers are diverting their interest to the more price attractive NDM. Sales to the CCC appear to have ceased in the Central region. As supplies of NDM tighten, CCC NDM from the cheese exchange is expected to balance some deficiencies in the region. Current production is sought from the West where supplies are also growing tighter. Spot loads from the Central region are nominal with most movement occurring on contracts. High heat demand is good.

EAST: Eastern prices are often higher and the market tone is firm. The national marketing agency saw its base price "bump" up about a quarter of a cent this month and their published premium structure does increase two cents during August through November. Demand for NDM is improving. Users of Class III condensed skim (fortifying cheese vats) find that their August price may jump to $1.15 and they are looking for NDM as a temporary replacement. Current drying activity is lighter at most Eastern plants, but the slower demand for wet solids is pushing a little more skim through the dryers. Most Eastern producers report little or no powder on hand and most are trying to meet contracts. Offerings to CCC have stopped. There are continued conversations about the so-call "cheese NDM" and its likely impact on the market. Rumors have some of this powder coming onto the market (mostly in the Midwest or West) beginning in early August. There are many theories about what this will do to current market conditions.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT:	.8250 - .8900	MOSTLY:	.8250 - .8600
HIGH HEAT:	.8625 - .9450		

NONFAT DRY MILK - WEST

Prices for Western low/medium heat NDM are steady to slightly higher within the range. Some offering prices were being adjusted. Drying schedules have been reduced in the region as milk intakes and solids decline. Some additional demand has been noted because of the slower than expected release of the "cheese powder" from CCC storage. Buyers have been quoted "lower than current market" prices and await the arrival. But while they wait, they find that they need to have NDM and are now searching the spot market. Producers have been keeping inventories low through offerings to the CCC support program and often do not have extra powder. During the week of July 21 - 25, adjusted CCC support program purchases of NDM totaled 7,451,194 pounds of nonfortified from the West. High heat NDM prices are slightly higher. There are few new developments in this market. Drying schedules are mostly steady at light levels with plants having a lot of time for high heat production. Stocks are adequate for spot and contract needs.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT:	.7900 - .8875	MOSTLY:	.7950 - .8100
HIGH HEAT:	.8225 - .8500		

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
July 25	$.8057	15,488,555	2,565,061
July 18	$.8013	18,221,338	6,640,040

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

DRY BUTTERMILK – CENTRAL

Dry buttermilk prices are higher on a firm market. Market changes may be reported as nominal in coming weeks as the resale market is becoming the dominant source for product. Producer supplies are limited with some buyers seeking additional condensed and dry buttermilk from the West. Dry production is very light as milk is optimally diverted into Class III facilities instead of butter churns. Condensed supplies are well contracted and clearing readily into ice cream operations. Some plants are over contracted on their condensed buttermilk and are shorting loads. Inventories are in balance to tight with some firms holding stocks with confidence until market prices peak.

F.O.B. CENTRAL: .8000 - .8500

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are often higher, but Eastern prices remain nominal. Some producers have pushed asking prices 2-3 cents higher than last week. Most Eastern butter makers are operating on reduced schedules due to the tight supply of cream. Producers are either moving their buttermilk as a liquid or making so little powder that they can barely meet contract sales. Stocks of dry buttermilk are tight. Demand is improving as supplies tighten. With cream supplies so tight, users of fat are showing more interest in buttermilk powder.

F.O.B. NORTHEAST:	.7200 - .7500
DELVD SOUTHEAST:	.7350 - .7600

DRY BUTTERMILK - WEST

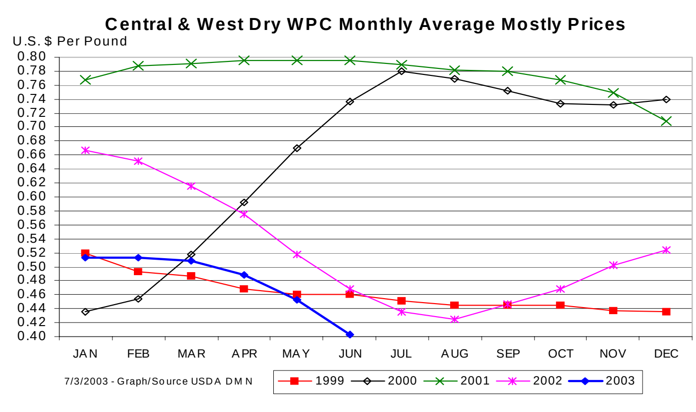
The recent trend in price increases for Western dry buttermilk continues and the market tone remains firm. Production remains light and reflects the absence of butter churning in the region. Offerings are limited from producers and resellers. Demand is fair to good for the current supplies. Inventory levels are tighter.

F.O.B. WEST: .7200 - .8200 MOSTLY: .7500 - .7800

DRY WHOLE MILK - NATIONAL

Prices are steady to mostly higher and nominal. Western producers are increasing prices to reflect the recent increases in the CME cash butter price. The market tone is little changed. Production levels are lighter as milk supplies have tightened in the past week or so. Plant stocks are balanced and demand is mostly for replacement needs. Traders note that less imported dry whole milk is available.

F.O.B. PRODUCING PLANT: 1.0325 - 1.1800



WHEY, CASEIN & EVAPORATED MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

DRY WHEY - CENTRAL

Prices are unchanged to higher on a steady to firm market. While producers report list prices at a premium, traders are reporting spot purchases at the average. Spot sales to end-users are trending higher, especially from resellers. Offerings from resellers are reported at 1-2 over the average. EU whey is reportedly competitive with US product into Canada. Feed interest is fair. Inquiries are noted by some candy facilities for upcoming holidays. Production is steady to higher as more milk is cleared into Class III facilities. Condensed whey is readily available at some locations for the light feed and WPC/lactose facility interest.

F.O.B. CENTRAL: .1575 - .1675 MOSTLY: .1575 - .1625

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices continue to climb fractionally and the market tone remains firm. Cheese output in the Northeast is slowing at more plants now that surplus milk volumes are nearing their summer low point. Dry whey output is also slowing and producers report little or no product on hand for spot sale. Some producers are not entertaining any new orders and some are holding any "extra" output with confidence. Demand is good, but still lacking the aggressiveness to push prices at a faster pace. Most spot sales are seen in the resale market.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .1625 - .1750
DELVD SOUTHEAST: .1825 - .1975

DRY WHEY - WEST

The Western whey market prices are higher and the tone is firm. The spot market is not fully tested as offering volumes are currently light. Producers are pleased that prices have moved higher from recent low levels. Some wonder whether current demand is need-based or hedging. Either way, the reality of the market is both higher offering and purchase prices. Production levels have declined and reflect lower milk receipts throughout much of the region. Contracted whey movements are steady to both local and export accounts. There is limited interest from buyers in other regions and this could be because there is little extra product to offer or because of no margin in the price differences.

NONHYGROSCOPIC: .1500 - .1750 MOSTLY: .1600 - .1650

ANIMAL FEED WHEY - CENTRAL

Prices are higher on a firm market. While equipment problems at some locations encourage the production of milk replacer product, supplies are limited for the good interest. Some buyers are price resistant at the higher end of the range. Permeate is an attractive substitute to milk replacer into some feed facilities. North Central veal prices are trending firm while early weaned pig prices are lower.

F.O.B. CENTRAL:
MILK REPLACER: .1400 - .1525

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are higher on a firm market. Many plants are reporting that supplies are in balance to tight. Production is steady to higher with condensed whey and WPC available for the light to fair interest. Demand is improved for edible use into Asia and Mexico. Inquiries are increasing from veal milk replacer operations, most likely due to increased domestic veal demand in response to the Canadian import ban imposed late this spring. Reseller offerings are heavy at prices above the average. High protein movement is mixed with reports of "sloppy" markets to "improved." Foreign and off grade product are reportedly less available than the week prior. USDA/FAS Bulk, Intermediate, and Consumer Oriented (BICO) trade export commodity aggregations on whey protein concentrate for January – May 2003 are higher into Canada and Central America at 904.9 MT and 243.7 MT compared to January – May 2002 at 842.7 MT and 171.7 respectively. Exports into Vietnam, Thailand, Brazil, the Philippines, and China are trending nearly 50% below levels last year. Taiwan imports for January – May 2002 were 918.6 MT compared to 177.5 MT thus far this year.

F.O.B. EXTRA GRADE 34% PROTEIN: .4100 - .5000 MOSTLY: .4200 - .4400

LACTOSE - CENTRAL AND WEST

Lactose prices are unchanged to higher on a firm market. Some traders are attempting to secure supplies for the fourth quarter. Producers are generally uninterested in contracting fourth quarter production as prices are anticipated to move higher. Domestic interest is good. Inquiries are noted by candy makers and export markets. Production is steady with supplies of 200 mesh product generally short of buyer interest. Offering prices are trending higher. Feed grade supplies are limited for the good interest.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.
F.O.B. EDIBLE: .1800 - .2500 MOSTLY: .1900 - .1950

CASEIN – NATIONAL

Casein markets remain firm with prices basically unchanged. Current stocks are reported to be available for contracted volumes, although spot availability is questionable. European suppliers feel that supplies will be in close balance through the end of the year with prices remaining firm. Oceania suppliers are optimistic about their upcoming production season and project production and supplies to be in line with the current year.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET:	2.0000 - 2.1500
ACID:	2.0000 - 2.1000

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Production levels are lower seasonally. Milk supplies have dropped dramatically in the Western part of the country where temperatures have routinely been above 100. This has caused a sharp drop in the volumes of milk moving to some plants. Farther east, production levels are also lighter as milk supplies tighten along typical seasonal patterns. Demand for evaporated milk is fair and the market remains very competitive.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES $19.00 - 30.00
Excluding promotional and other sales allowances. Included new price announcements.

CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume 1/

CME - (CLASS III) MILK FUTURES -- Dollars per cwt

Month	07/16	07/17	07/18	07/21	07/22	07/23	07/24	07/25	07/28	07/29
JUL 03	11.75 (4257) 68	11.75 (4248) 68	11.75 (4248) 6	11.78 (4254) 7	11.78 (4252) 2	11.80 (4253) 6	11.77 (4268) 72	11.73 (4106) 133	11.75 (4101) 0	11.75 (4089) 1
AUG 03	13.05 (4521) 89	13.04 (4545) 187	13.15 (4588) 150	13.30 (4606) 52	13.25 (4674) 110	13.36 (4713) 168	13.43 (4798) 202	13.54 (4778) 286	13.54 (4791) 152	13.64 (4858) 134
SEP 03	13.21 (4748) 171	13.22 (4762) 173	13.33 (4783) 121	13.58 (4814) 87	13.54 (4876) 203	13.66 (4962) 179	13.78 (5037) 268	14.00 (5025) 196	13.99 (5002) 191	13.96 (5109) 216
OCT 03	13.00 (4180) 52	13.05 (4267) 207	13.15 (4320) 115	13.35 (4335) 37	13.31 (4366) 236	13.41 (4453) 127	13.47 (4453) 121	13.55 (4465) 84	13.48 (4475) 54	13.46 (4510) 89
NOV 03	12.52 (3298) 276	12.50 (3296) 42	12.59 (3306) 45	12.70 (3321) 45	12.70 (3356) 129	12.72 (3376) 39	12.73 (3383) 58	12.74 (3384) 140	12.68 (3379) 33	12.67 (3393) 55
DEC 03	12.04 (2494) 6	12.05 (2504) 39	12.15 (2533) 52	12.27 (2548) 31	12.25 (2571) 85	12.27 (2582) 34	12.30 (2589) 33	12.30 (2602) 16	12.27 (2605) 24	12.34 (2616) 34
JAN 04	11.60 (747) 11	11.80 (750) 14	11.90 (778) 43	12.00 (786) 19	11.95 (792) 29	11.98 (831) 44	11.99 (851) 26	12.00 (860) 10	12.00 (888) 106	12.05 (900) 34
FEB 04	11.25 (613) 6	11.25 (613) 4	11.35 (639) 43	11.50 (650) 19	11.50 (650) 2	11.55 (684) 39	11.65 (684) 6	11.60 (687) 12	11.59 (693) 30	11.70 (709) 30
MAR 04	11.34 (455) 3	11.34 (457) 2	11.40 (482) 41	11.65 (495) 15	11.55 (495) 1	11.60 (527) 41	11.69 (527) 7	11.65 (544) 23	11.65 (575) 56	11.75 (592) 23
APR 04	11.35 (274) 10	11.40 (275) 1	11.40 (278) 8	11.50 (288) 12	11.50 (291) 15	11.60 (302) 13	11.65 (304) 5	11.60 (318) 18	11.60 (347) 48	11.70 (362) 21
MAY 04	11.30 (167) 5	11.32 (168) 1	11.35 (175) 11	11.50 (184) 13	11.50 (185) 2	11.55 (186) 1	11.50 (189) 8	11.50 (201) 18	11.50 (224) 34	11.60 (233) 17
JUN 04	11.85 (175) 4	11.75 (177) 2	11.75 (183) 7	11.85 (186) 14	11.80 (188) 2	11.82 (192) 4	11.80 (198) 6	11.78 (205) 20	11.80 (219) 45	11.90 (236) 21
JUL 04	12.10 (181) 3	12.10 (182) 2	12.10 (188) 6	12.15 (190) 2	12.15 (191) 1	12.16 (196) 6	12.15 (197) 1	12.13 (198) 1	12.13 (213) 55	12.25 (248) 35
AUG 04	12.40 (209) 0	12.40 (211) 2	12.40 (214) 4	12.45 (225) 11	12.45 (225) 0	12.45 (228) 5	12.43 (227) 1	12.43 (228) 8	12.43 (234) 38	12.54 (246) 24
SEP 04	12.55 (210) 0	12.55 (212) 2	12.55 (218) 7	12.60 (220) 2	12.60 (220) 0	12.60 (228) 8	12.60 (228) 0	12.60 (230) 5	12.60 (230) 37	12.72 (252) 25
OCT 04	12.20 (87) 0	12.20 (87) 0	12.20 (87) 0	12.20 (91) 6	12.20 (91) 0	12.20 (96) 13	12.20 (96) 1	12.10 (96) 2	12.10 (118) 30	12.25 (125) 8
NOV 04	11.80 (61) 0	11.80 (61) 0	11.80 (61) 0	11.80 (61) 2	11.80 (62) 1	11.80 (62) 0	11.80 (62) 0	11.80 (62) 2	11.80 (86) 30	11.90 (90) 8

CME - (CLASS IV) MILK FUTURES - Dollars per cwt.

Month	07/16	07/17	07/18	07/21	07/22	07/23	07/24	07/25	07/28	07/29
JUL 03	10.17 (11) 0	10.17 (11) 0	10.17 (11) 0	10.17 (11) 0	10.17 (11) 0	10.17 (11) 0	10.17 (11) 0	10.17 (11) 0	10.17 (11) 0	10.17 (11) 0
AUG 03	10.45 (26) 0	10.45 (26) 0	10.45 (26) 0	10.45 (26) 0	10.45 (26) 0	10.45 (26) 0	10.45 (26) 0	10.45 (26) 0	10.45 (26) 0	10.45 (26) 0
SEP 03	10.60 (20) 0	10.60 (20) 0	10.60 (20) 0	10.60 (20) 0	10.60 (20) 0	10.60 (20) 0	10.60 (20) 0	10.60 (20) 0	10.65 (20) 0	10.65 (20) 0
OCT 03	10.36 (3) 0	10.36 (3) 0	10.36 (3) 0	10.36 (3) 0	10.36 (3) 0	10.36 (3) 0	10.36 (3) 0	10.36 (3) 0	10.36 (3) 0	10.36 (3) 0

CME - BUTTER FUTURES -- Cents per pound

Month	07/16	07/17	07/18	07/21	07/22	07/23	07/24	07/25	07/28	07/29
JUL 03	121.00 (52) 2	121.00 (43) 1	119.00 (31) 0	119.02 (30) 0	119.02					
SEP 03	124.75 (662) 11	123.00 (664) 11	121.75 (663) 1	122.50 (656) 2	122.50 (646) 11	125.25 (644) 4	125.75 (659) 23	124.00 (658) 22	123.50 (649) 16	123.50 (647) 26
OCT 03	127.00 (383) 1	125.00 (383) 2	123.50 (385) 4	124.50 (387) 4	124.50 (387) 0	125.50 (387) 0	125.50 (387) 6	125.00 (387) 1	124.50 (387) 0	124.50 (387) 0
DEC 03	128.50 (391) 0	127.00 (391) 0	126.75 (391) 1	127.00 (390) 2	126.00 (390) 10	127.00 (389) 1	127.50 (389) 6	126.00 (389) 0	126.00 (389) 0	126.00 (510) 121
MAR 04	131.50 (66) 0	131.50 (66) 0	131.50 (66) 0	131.50 (66) 0	131.50 (66) 0	131.50 (66) 0	131.50 (66) 0	131.50 (66) 0	131.50 (66) 0	131.50 (66) 0

1/ At the CME open interest for milk -- 200,000 pounds per contract. For more detailed information, you may call our automated voice system at 608-224-5088.

INTERNATIONAL DAIRY MARKET NEWS

Information gathered July 21 - August 1, 2003

Prices are U.S. $/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN AND EASTERN EUROPE

OVERVIEW: WESTERN EUROPE: Milk production continues to decline in Europe with intakes, depending on country, lower than early season expectations due to drought. Instability in currency values, with the U.S. dollar both higher and lower compared to the Euro and other currencies in recent weeks affects some price ranges. New information is limited with many traders on summer holiday. Strong interest is noted for AMF/butteroil from predominately Moslem countries in the Middle East and Northern Africa. Buyers are building supplies for the upcoming Ramadan holiday, expected in October. Many butteroil producers/traders are fully committed and are not accepting any new inquiries. Also, exporters are working on filling contracts, mainly for whole milk, that had been suspended earlier in the year by the military activity in Iraq. The switch to drying more whole milk is also affecting skim milk production.

BUTTER/BUTTEROIL: The butteroil and butter markets are firm. Butteroil prices are nominal as supplies are currently sold out. Ramadan has caused an earlier demand than last year for butteroil from predominately Moslem countries in the Middle East and Northern Africa. Alternative spot supply sources outside of Europe may be limited to achieve deliveries ahead of the holiday. Demand for butteroil has dramatically tightened supplies. Producers are not taking new inquiries. The export refund on AMF was adjusted slightly lower on July 25, about US$40 per ton, so that the export refund level was again below the import levy.

82% BUTTERFAT:	1,450 - 1,500
99% BUTTERFAT:	1,650 - 1,750

SKIM MILK POWDER (SMP): The skim market is steady. Additional volumes of skim are still clearing to intervention. Tightness on whole milk caused by Iraqi orders suspended during the military conflict has spilled over to reduce skim milk powder production. Most producers are trying to increase whole milk production and reduce the output of skim. Traders feel that the intervention limit of 109,000 MT may still be reached.

1.25% BUTTERFAT:	1,675 - 1,750

WHOLE MILK POWDER (WMP): The whole milk market is firm and prices are generally higher. Some additional interest is noted for whole milk as contracts to Iraq made before the recent military action, are again being filled. Producers are trying to meet commitments, often at the expense of skim milk or other products. Current supplies have tightened.

26% BUTTERFAT:	1,700 - 1,800

SWEET WHEY POWDER: The whey market and prices are generally steady. The U.S. is still competitive in price to many markets. Production is trending lower seasonally. Supplies are available for internal and external accounts. Cheese production for consumer items has been seasonally active.

NONHYGROSCOPIC:	325 - 450

EASTERN EUROPE: Milk production has declined in most countries, at least seasonally. Limited volume exports continue from the region. The carryover affect from last year's reduced milk production in some countries is contributing to supply concerns for the approaching fall and winter production period.

OCEANIA

OCEANIA OVERVIEW: The current situation is quiet as the new milk production season begins. Low inventory levels from last season and the current light plant milk intakes and manufacturing schedules are factors at the current time. Most producers are active with freshened cows and handling calves in New Zealand. About 20% of cows have freshened to start the new season. Current weather conditions are good for pastures though some areas, mainly on the South Island remain on the dry side. The current pre-season forecast for the New Zealand milk production season is up around 2%. In Australia, current weather conditions are cold, windy, and wet. Water levels are still low and depleted levels still need to be rebuilt. Irrigation water supplies remain an issue with many holders of water right are currently not expected to receive their full allocation unless the rain continues. The new milk production season is just underway with current expectations for milk receipts to range from nearly unchanged to 3% above last year's drought reduced levels. Current manufacturing schedules are still light with the product mix geared towards items in the tightest supply.

BUTTER: The butter market is steady and prices are unchanged to slightly higher. Some international interest is noted from the Middle East for expected Ramadan needs. Spot supplies are limited with very little product in inventory not previously committed. New season production remains light.

82% BUTTERFAT:	1,275 - 1,400

CHEDDAR CHEESE: The cheese market is steady. Current cheese production remains light. Some extra early season milk volumes are being targeted away from cheese over to the powders. No new sales activity is being reported. Remaining last season inventory has generally already been committed to buyers and is being shipped.

39% MAXIMUM MOISTURE:	1,750 - 2,000

SKIM MILK POWDER (SMP): The skim market is fairly quiet. Current stocks are in line with anticipated early season demand. Drying schedules remain light as milk receipts slowly build toward the annual peak.

1.25% BUTTERFAT:	1,650 - 1,750

WHOLE MILK POWDER (WMP): The whole milk market is steady. Most current activity centers on clearing any remaining supplies from last season. Inventory from last season has already been committed to accounts. Current drying schedules are light though some early extra milk volumes have been targeted toward powder production from cheese. Most producers and handlers still do not feel the need to push for additional new season sales at this time.

26% BUTTERFAT:	1,650 - 1,750

Exchange rates for selected foreign currencies: July 28, 2003

.7222 Canadian Dollar	.0217 Indian Rupee
.3530 Argentina Peso	.5869 New Zealand Dollar
.0957 Mexican Peso	.6628 Australian Dollar
.2608 Polish Zloty	.0084 Japanese Yen
	1.1494 Euro

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0957)= 10.4493. That is 1 US Dollar equals 10.4493 Mexican Pesos.

Source: *Wall Street Journal*

MONTHLY SUMMARY AND AVERAGES FOR JULY 2003 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 27 JUL 01 - 04	REPORT NUMBER 28 JUL 07 - 11	REPORT NUMBER 29 JUL 14 - 18	REPORT NUMBER 30 JUL 21 - 25	REPORT NUMBER 31 JUL 28 - 31	2003 Average or Total	2002 Average or Total
CHEESE							
WISCONSIN (WSP, Delivered, LTL)							
-- Process American 5# Loaf	1.3950 - 1.5600	1.5600 - 1.6275	1.6550 - 1.8100	1.6150 - 1.8100	1.6475 - 1.8100	1.6610	1.3918
-- Brick And/Or Muenster 5#	1.6100 - 1.9025	1.6100 - 2.0825	1.8600 - 2.1750	1.8600 - 2.1625	1.8600 - 2.1675	1.9409	1.5757
-- Cheddar 40# Block	1.5000 - 2.1150	1.5000 - 2.1150	1.7500 - 2.1150	1.7500 - 2.1150	1.7500 - 2.1150	1.8870	1.7836
-- Monterey Jack 10#	1.8000 - 2.1150	1.8000 - 2.1150	2.0500 - 2.1325	2.0500 - 2.1200	2.0500 - 2.1250	2.0405	1.9022
-- Blue 5#	1.9950 - 2.3000	2.1750 - 2.3000	2.2675 - 2.5200	2.2550 - 2.5200	2.2600 - 2.5200	2.3226	2.0219
-- Mozzarella 5 - 6#	1.5400 - 2.2150	1.5400 - 2.2150	1.7900 - 2.2150	1.7900 - 2.2150	1.7900 - 2.2150	1.9570	1.8007
-- Grade A Swiss Cuts 6 - 9#	1.9500 - 2.6850	1.9500 - 2.6850	2.0500 - 2.6850	2.0500 - 2.6850	2.0500 - 2.6850	2.3493	2.2425
NORTHEAST (WSP, Delivered, LTL)							
-- Cheddar 10# Prints	1.3050 - 1.8000	1.4850 - 1.9800	1.5775 - 2.0725	1.5650 - 2.0600	1.5700 - 2.0650	1.7626	1.3870
-- Cheddar Single Daisies	1.2625 - 1.7275	1.4425 - 1.9075	1.5350 - 2.0000	1.5225 - 1.9875	1.5275 - 1.9925	1.7051	1.3314
-- Cheddar 40# Block	1.3825 - 1.6275	1.5600 - 1.8075	1.6525 - 1.9000	1.6400 - 1.8875	1.6450 - 1.8925	1.7140	1.3280
-- Process 5# Loaf	1.4250 - 1.6275	1.6000 - 1.8000	1.6875 - 1.8875	1.6450 - 1.8450	1.6775 - 1.8800	1.7207	1.3632
-- Process 5# Sliced	1.4450 - 1.6925	1.6200 - 1.8675	1.7075 - 1.9550	1.6650 - 1.9125	1.6975 - 1.9475	1.7643	1.4294
-- Muenster	1.4675 - 1.6725	1.6475 - 1.8525	1.7400 - 1.9450	1.7275 - 1.9325	1.7325 - 1.9375	1.7801	1.4076
-- Grade A Swiss Cuts 10 - 14#	2.3500 - 2.5500	2.3500 - 2.5500	2.3500 - 2.5500	2.3500 - 2.5500	2.3500 - 2.5500	2.4500	2.4500
WEST COAST (WSP, Delivered, LTL)							
-- Process 5# Loaf	1.3650 - 1.6250	1.5375 - 1.7975	1.6250 - 1.8850	1.5825 - 1.8425	1.6175 - 1.8775	1.6886	1.3443
-- Cheddar 40# Block	1.3700 - 1.5100	1.5500 - 1.6900	1.6425 - 1.9925	1.6300 - 1.9800	1.6350 - 1.9850	1.7169	1.2714
-- Cheddar 10# Cuts	1.5500 - 1.7700	1.7300 - 1.9500	1.8225 - 2.0425	1.8100 - 2.0300	1.8150 - 2.0350	1.8701	1.4914
-- Monterey Jack 10#	1.5600 - 1.7200	1.7400 - 1.9000	1.8325 - 1.9925	1.8200 - 1.9800	1.8250 - 1.9850	1.8501	1.4739
-- Grade A Swiss Cuts 6 - 9#	2.2000 - 2.3700	2.2500 - 2.4600	2.2500 - 2.4600	2.2500 - 2.4600	2.2500 - 2.4600	2.3455	2.3386
FLUID PRODUCTS							
SPOT PRICES OF CLASS II CREAM ($ per lb. butterfat)							
-- Northeast - f.o.b	1.4973 - 1.6662	1.4966 - 1.7007	1.5867 - 1.7851	1.6269 - 1.9184	1.6371 - 1.8936	1.6860	1.4049
-- Atlanta - dlvd. equiv.	1.5086 - 1.7112	1.5193 - 1.7234	1.5750 - 1.8084	1.6392 - 1.8820	1.6493 - 1.8814	1.6936	1.4151
-- Upper Midwest - f.o.b	1.5592 - 1.6662	1.5873 - 1.6780	1.5750 - 1.7267	1.6392 - 1.8213	1.7104 - 1.8570	1.6837	1.3894
PRICES OF CONDENSED SKIM - NORTHEAST ($ per lb. wet solids) - f.o.b.							
-- Class II	0.8500 - 0.9300	0.8500 - 0.9300	0.8500 - 0.9300	0.8500 - 0.9300	0.8500 - 0.9300	0.8900	0.9745
-- Class III	0.7400 - 0.8200	0.7400 - 0.8200	1.0000 - 1.0500	1.0000 - 1.0500	1.0000 - 1.0500	0.9359	0.8723
NATIONAL EVAPORATED MILK ($ per Case) (Case - 48 - 12 fluid oz cans)							
-- Delivered Major U.S. Cities	18.0000 -30.0000	19.0000 -30.0000	19.0000 -30.0000	19.0000 -30.0000	19.0000 -30.0000	24.4318	24.7500

MONTHLY SUMMARY AND AVERAGES FOR JULY 2003 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 27 JUL 01 - 04	REPORT NUMBER 28 JUL 07 - 11	REPORT NUMBER 29 JUL 14 - 18	REPORT NUMBER 30 JUL 21 - 25	REPORT NUMBER 31 JUL 28 - 31	2003 Average or Total	2002 Average or Total
DRY PRODUCTS							
NONFAT DRY MILK							
-- Central And East (f.o.b.)							
-- Low/Medium Heat	0.8000 - 0.8700	0.8000 - 0.8700	0.8000 - 0.8700	0.8250 - 0.8700	0.8250 - 0.8900	0.8419	0.9275
-- Mostly	0.8000 - 0.8400	0.8000 - 0.8400	0.8000 - 0.8500	0.8250 - 0.8500	0.8250 - 0.8600	0.8292	0.9127
-- High Heat	0.8600 - 0.9250	0.8600 - 0.9250	0.8600 - 0.9250	0.8600 - 0.9250	0.8625 - 0.9450	0.8945	0.9765
-- West (f.o.b)							
-- Low/Medium Heat	0.7950 - 0.8875	0.7900 - 0.8875	0.7900 - 0.8875	0.7900 - 0.8875	0.7900 - 0.8875	0.8391	0.9144
-- Mostly	0.7950 - 0.8075	0.7950 - 0.8075	0.7950 - 0.8075	0.7950 - 0.8075	0.7950 - 0.8100	0.8015	0.8993
-- High Heat	0.8200 - 0.8500	0.8200 - 0.8400	0.8200 - 0.8500	0.8200 - 0.8500	0.8225 - 0.8500	0.8341	0.9303
WHEY POWDER (Nonhygroscopic)							
-- Central (f.o.b.)	0.1450 - 0.1525	0.1475 - 0.1575	0.1500 - 0.1600	0.1525 - 0.1650	0.1575 - 0.1675	0.1558	0.1566
-- Mostly	0.1450 - 0.1500	0.1475 - 0.1525	0.1500 - 0.1550	0.1550 - 0.1600	0.1575 - 0.1625	0.1538	0.1550
-- West (f.o.b.)	0.1250 - 0.1550	0.1300 - 0.1700	0.1350 - 0.1700	0.1450 - 0.1725	0.1500 - 0.1750	0.1535	0.1451
-- Mostly	0.1400 - 0.1450	0.1425 - 0.1500	0.1450 - 0.1550	0.1500 - 0.1600	0.1600 - 0.1650	0.1515	0.1452
-- Northeast (f.o.b.)	0.1500 - 0.1675	0.1525 - 0.1675	0.1550 - 0.1700	0.1575 - 0.1725	0.1625 - 0.1750	0.1631	N.A.
-- Southeast (Delvd)	0.1700 - 0.1825	0.1725 - 0.1875	0.1750 - 0.1900	0.1775 - 0.1925	0.1825 - 0.1975	0.1830	0.1859
WHEY PROTEIN CONCENTRATE							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	0.3800 - 0.4400	0.3800 - 0.4850	0.3800 - 0.4850	0.3900 - 0.4850	0.4100 - 0.5000	0.4347	0.4383
-- Mostly	0.3850 - 0.4050	0.3900 - 0.4150	0.4025 - 0.4225	0.4100 - 0.4300	0.4200 - 0.4400	0.4127	0.4363
ANIMAL FEED - WHEY							
-- Central (f.o.b.)							
-- Milk Replacer	0.1375 - 0.1425	0.1375 - 0.1450	0.1400 - 0.1475	0.1325 - 0.1500	0.1400 - 0.1525	0.1426	0.1435
BUTTERMILK (Min. 30% protein)							
-- Central (f.o.b.)	0.6950 - 0.7400	0.7100 - 0.7600	0.7600 - 0.7900	0.7750 - 0.8250	0.8000 - 0.8500	0.7728	0.8268
-- West (f.o.b.)	0.6800 - 0.7200	0.6600 - 0.7300	0.7000 - 0.7500	0.7150 - 0.7800	0.7200 - 0.8200	0.7281	0.7597
-- Mostly	0.6900 - 0.7000	0.7000 - 0.7100	0.7100 - 0.7200	0.7200 - 0.7600	0.7500 - 0.7800	0.7248	0.7497
-- Northeast (f.o.b.)	0.6800 - 0.7000	0.6800 - 0.7000	0.6800 - 0.7300	0.7000 - 0.7300	0.7200 - 0.7500	0.7073	0.7975
-- Southeast (Delvd)	0.7000 - 0.7300	0.7000 - 0.7300	0.7000 - 0.7500	0.7300 - 0.7500	0.7350 - 0.7600	0.7289	0.8225
WHOLE MILK POWDER							
-- National (f.o.b.)	1.0325 - 1.1500	1.0325 - 1.1500	1.0325 - 1.1500	1.0325 - 1.1500	1.0325 - 1.1800	1.0940	1.1566
LACTOSE							
-- Central And West (f.o.b.)	0.1800 - 0.2375	0.1800 - 0.2500	0.1800 - 0.2500	0.1800 - 0.2500	0.1800 - 0.2500	0.2141	0.1816
-- Mostly	0.1850 - 0.1950	0.1850 - 0.1950	0.1850 - 0.1950	0.1850 - 0.1950	0.1900 - 0.1950	0.1905	0.1591
CASEIN - Edible - National (f.o.b.)							
-- Nonrestricted - Rennet	1.9500 - 2.1500	2.0000 - 2.1500	2.0000 - 2.1500	2.0000 - 2.1500	2.0000 - 2.1500	2.0716	2.1057
-- Nonrestricted - Acid	1.9500 - 2.0500	2.0000 - 2.1000	2.0000 - 2.1000	2.0000 - 2.1000	2.0000 - 2.1000	2.0432	1.9091

1/ Prices for all products are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing.

CHICAGO MERCANTILE EXCHANGE AVERAGES FOR JULY 2003

COMMODITY	REPORT NUMBER 27 JUL 1 - 4	REPORT NUMBER 28 JUL 7 - 11	REPORT NUMBER 29 JUL 14 - 18	REPORT NUMBER 30 JUL 21 - 25	REPORT NUMBER 31 JUL 28 - 31	2003 * Monthly Average	2002 * Monthly Average
BUTTER*							
-- GRADE AA							
--Monday		1.1475	1.2200	1.2050	1.2150		
--Tuesday							
--Wednesday	1.1400	1.1575	1.2200	1.2500	1.2200		
--Thursday							
--Friday	1/	1.1950	1.2025	1.2100		1.1985	1.0302
--Weekly Average**	1.1338	1.1667	1.2142	1.2217			
CHEESE*							
-- BARRELS							
--Monday		1.4600	1.4600	1.4500	1.5000		
--Tuesday	1.3900	1.4800	1.4300	1.4500	1.5000		
--Wednesday	1.4200	1.4800	1.4300	1.4600	1.5400		
--Thursday	1.4500	1.4800	1.4250	1.4800	1.5800		
--Friday	1/	1.4800	1.4250	1.5000		1.4668	1.0680
--Weekly Average**	1.3894	1.4760	1.4340	1.4680			
-- 40# BLOCKS							
--Monday		1.5000	1.5025	1.5000	1.5525		
--Tuesday	1.4150	1.5100	1.5000	1.5000	1.5700		
--Wednesday	1.4500	1.5100	1.5000	1.5000	1.5900		
--Thursday	1.5000	1.5200	1.5000	1.5000	1.6000		
--Friday	1/	1.5200	1.5000	1.5300		1.5123	1.0889
--Weekly Average**	1.4206	1.5120	1.5005	1.5060			
NONFAT DRY MILK*							
-- EXTRA GRADE							
--Monday		0.8400	0.8400	0.8400	0.8400		
--Tuesday	0.8400	0.8400	0.8400	0.8400	0.8400		
--Wednesday	0.8400	0.8400	0.8400	0.8400	0.8400		
--Thursday	0.8400	0.8400	0.8400	0.8400	0.8400		
--Friday	1/	0.8400	0.8400	0.8400		0.8400	0.8969
--Weekly Average**	0.8400	0.8400	0.8400	0.8400			
-- GRADE A							
--Monday		0.8400	0.8400	0.8400	0.8400		
--Tuesday	0.8400	0.8400	0.8400	0.8400	0.8400		
--Wednesday	0.8400	0.8400	0.8400	0.8400	0.8400		
--Thursday	0.8400	0.8400	0.8400	0.8400	0.8400		
--Friday	1/	0.8400	0.8400	0.8400		0.8400	0.9098
--Weekly Average**	0.8400	0.8400	0.8400	0.8400			

* Monthly averages are a simple average of all the closes during the month. Weekly and monthly averages are independent calculations.
** Weekly averages are simple averages of the closes during the calendar week and are for information purposes. Should the week be split between two months, the weekly average will appear in the monthly report in which the Friday close is reported.
1/ Holiday.

CONSUMER PRICE INDEX (CPI-U) AND AVERAGE RETAIL PRICES FOR SELECTED PRODUCTS, U.S. CITY AVERAGE 1/

Month and Year	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish and Eggs	
	CPI 2/	Pct. Chg.3/	CPI 2/	Pct. Chg.3/	CPI 2/	Pct. Chg.3/	CPI 2/	Pct. Chg.3/	CPI 2/	Pct. Chg.3/	CPI 2/	Pct. Chg.3/
APR 2003	178.4	1.2	165.8	-1.7	158.5	-2.8	166.6	-2.7	138.3	-16.8	165.2	1.7
MAY 2003	178.8	1.7	165.4	-2.1	158.8	-2.1	166.9	-3.1	146.8	-10.6	164.7	1.4
JUN 2003	179.6	2.2	163.9	-2.4	158.3	-2.6	167.7	-1.1	142.2	-7.5	167.2	3.3

U.S. City Average Retail Prices

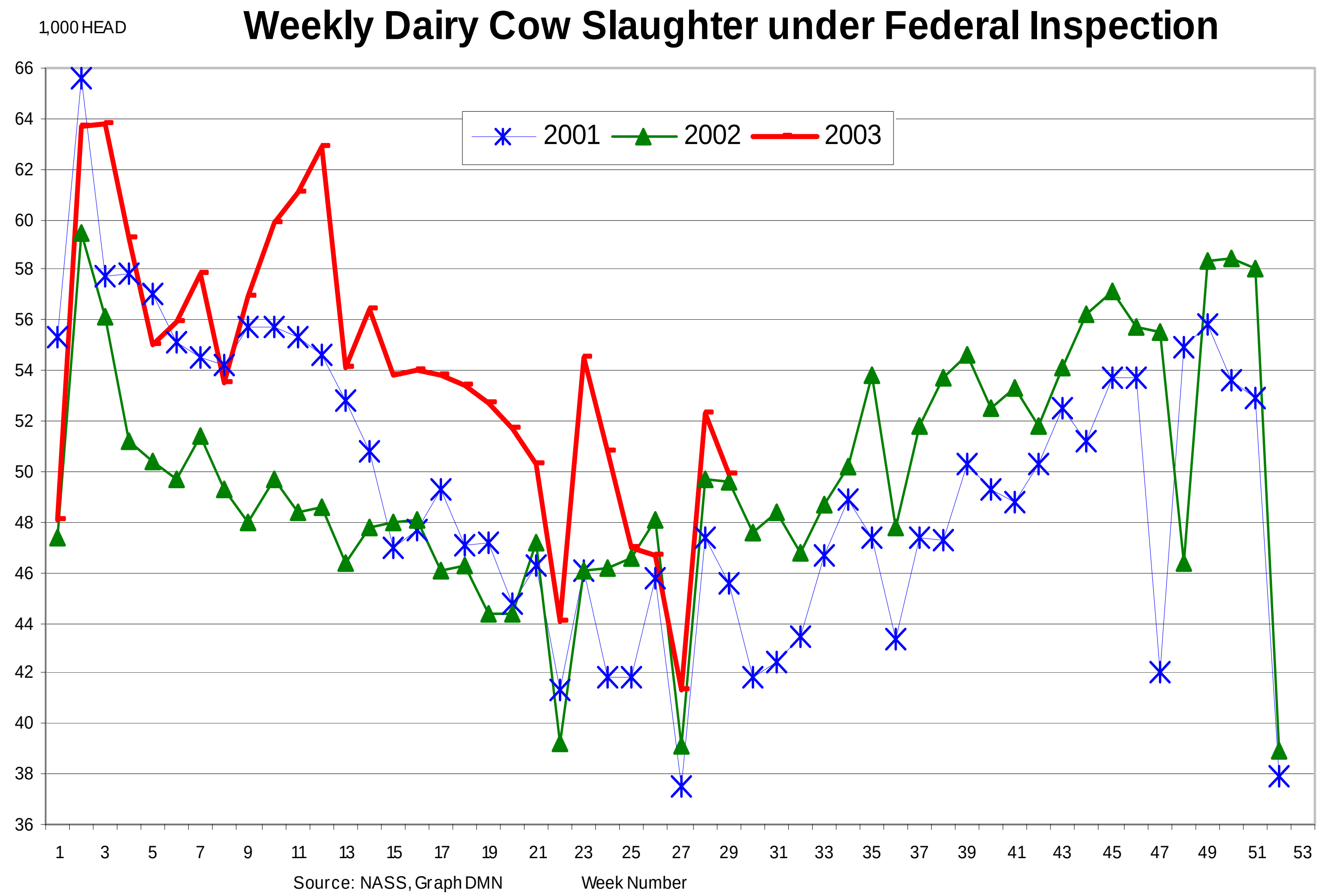
Month	Whole Milk 4/		Butter 5/		Process Cheese 6/		Natural Cheese 7/		Ice Cream 8/	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
	Dollars									
APRIL	2.674	2.779	2.721	3.196	3.760	3.930	3.960	4.107	3.296	3.723
MAY	2.685	2.782	2.726	3.215	3.589	3.868	3.806	4.203	3.739	3.800
JUNE	2.676	2.768	2.658	3.084	3.769	3.856	3.796	4.311	3.806	3.752

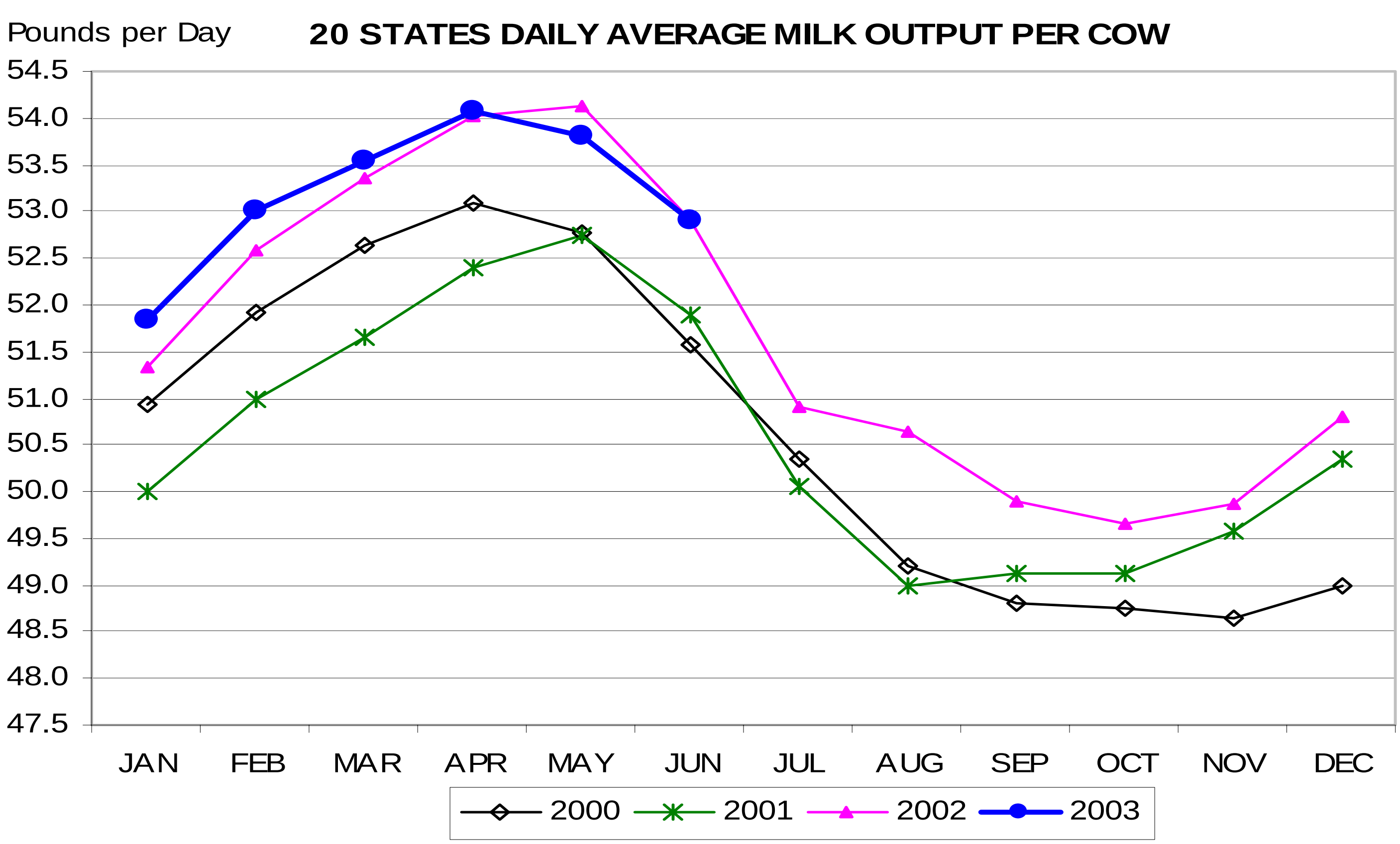
1/ "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. 2/ The standard reference base period for these indexes is 1982-1984 = 100. 3/ Percent change over previous year. 4/ Per gallon. 5/ Per pound. Grade AA, salted, stick butter. 6/ Per pound, any size and type of package. 7/ Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc.). 8/ Per 1/2 gallon, prepackaged regular.

COMMERCIAL DISAPPEARANCE: TOTAL MILK AND SELECTED DAIRY PRODUCTS—MARCH-MAY AND YEAR-TO-DATE 2002-03 1/

Item	Mar.-May 2002	Percent change 2/	Mar.-May 2003	Percent change 2/	Jan.-May 2002	Percent change 2/	Jan.-May 2003	Percent change 2/
	Million Pounds							
MILK								
Production	44,562	3.3	44,620	0.1	72,100	3.0	72,556	0.6
Marketings	44,275	3.4	44,349	0.2	71,628	3.0	72,111	0.7
Beginning Commercial Stocks 3/	9,183	10.9	12,014	30.8	7,041	3.0	9,891	40.5
Imports 3/	1,219	-3.8	1,263	3.6	1,989	-2.4	2,060	3.6
Total Supply 4/	54,677	4.4	57,626	5.4	80,658	2.9	84,062	4.2
Ending Commercial Stocks 3/	11,888	27.2	13,310	12.0	11,888	27.2	13,310	12.0
Net Removals 3/	66	83.3	690	945.5	111	23.3	845	661.3
Commercial Disappearance 4/	42,723	-0.6	43,626	2.1	68,659	-0.4	69,907	1.8
SELECTED PRODUCTS 5/								
Butter	297.6	0.4	306.0	2.8	494.8	3.4	497.3	0.5
American Cheese	939.8	1.9	938.5	-0.1	1,513.4	-0.7	1,508.6	-0.3
Other Cheese	1,315.0	0.0	1,323.7	0.7	2,120.8	2.2	2,145.2	1.2
Nonfat Dry Milk	160.4	-30.6	151.8	-5.4	249.5	-29.8	239.6	-4.0
Fluid Milk Products 6/	13,973.3	0.3	13,925.8	-0.3	23,106.6	0.2	23,201.7	0.4

1/ Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports. 2/ From year earlier on a daily average basis. 3/ Milk-equivalent, milkfat basis. 4/ Totals may not add because of rounding. 5/ Commercial disappearance in product pounds.
6/ Sales. Estimate based on actual sales in Federal milk order marketing areas and California. These sales figures have not been adjusted for calendar composition. **SOURCE:** Economic Research Service, USDA. Fluid milk products - Agricultural Marketing Service, USDA.


1,000 HEAD
Weekly Dairy Cow Slaughter under Federal Inspection
2001
2002
2003
66
64
62
60
58
56
54
52
50
48
46
44
42
40
38
36
1 3 5 7 9 11 13 15 17 19 21 23 25 27 29 31 33 35 37 39 41 43 45 47 49 51 53
Source: NASS, Graph DMN
Week Number


Pounds per Day
20 STATES DAILY AVERAGE MILK OUTPUT PER COW
54.5
54.0
53.5
53.0
52.5
52.0
51.5
51.0
50.5
50.0
49.5
49.0
48.5
48.0
47.5
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC
2000
2001
2002
2003

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF JULY 28 – AUGUST 1			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/02	SAME PERIOD LAST YEAR	WEEK ENDING 07/25/03	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	10,133,351	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	1,313,280	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	11,446,631	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	3,840,106	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	5,545,706	446,491	-0-	-0-
Process	-0-	-0-	-0-	31,838,400	396,000	-0-	-0-
TOTAL	-0-	-0-	-0-	41,224,212	842,491	-0-	-0-
NONFAT DRY MILK							
Nonfortified	11,352,397	123,458	11,228,939	568,183,270	607,679,646	1,256,217,000	1,186,882,000
Fortified	-0-	105,784	-105,784	596,814	-0-	46,391,000	46,391,000
TOTAL	11,352,397	229,242	11,123,155	568,780,084	607,679,646	1,302,608,000	1,233,273,000

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF JULY 28 – AUGUST 1, 2003 =	2.4	129.4	COMPARABLE PERIOD IN 2002 =	7.8	162.5
CUMULATIVE SINCE OCTOBER 1, 2002 =	755.2	7,030.1	CUMULATIVE SAME PERIOD LAST YEAR =	141.5	7,081.7
CUMULATIVE JANUARY 1 – AUGUST 1, 2003 =	681.1	5,764.5	COMPARABLE CALENDAR YEAR 2002 =	124.5	6,185.8

* Factors used for Fat Solids Basis - Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22
**Factors used for Skim Solids Basis - Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF JULY 28 – AUGUST 1, 2003 (POUNDS)

	BUTTER			CHEESE			NONFAT DRY MILK	
REGION	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
CENTRAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	11,352,397	-105,784
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-123,458	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/02 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
REGION	2002/03	2001/02	2002/03	2001/02	2002/03	2001/02	2002/03	2001/02
CENTRAL	-0-	-0-	32,049,972	396,000	24,014,567	34,601,728	39.9	8.0
WEST	11,446,631	-0-	9,174,240	446,491	507,195,721	530,670,162	59.0	85.4
EAST	-0-	-0-	-0-	-0-	37,569,796	42,407,756	1.1	6.6
TOTAL	11,446,631	-0-	41,224,212	842,491	568,780,084	607,679,646	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER NOVEMBER 15, 2002

MANUFACTURING MILK Average Test 3.67% - $9.90 per cwt.

BUTTER Bulk $1.0500 per pound; 1# Prints $1.0850
CHEESE 40 & 60# Blocks $1.1314 per pound; 500# Barrels $1.1014; Process American 5# $1.1889; Process Am. 2# $1.2289
NONFAT DRY MILK Nonfortified $.8000 per pound; Fortified $.8100; Instant $0.9625

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 07/12/03 & Comparable Week 2002

											U.S. TOTAL		% DAIRY OF ALL	
Regions* (000 HEAD)	1	2	3	4	5	6	7	8	9	10	WEEK	SINCE JAN 1	WEEK	SINCE JAN 1
2003-Dairy	0.2	0.8	6.6	4.8	20.5	2.5	0.2	1.0	13.2	2.5	52.3	1,514.8	47.5	48.1
2002-Dairy	0.2	0.8	5.9	5.4	19.0	2.0	0.4	0.7	12.1	3.1	49.7	1,343.4	46.2	46.0
2003-All cows	0.2	1.1	8.7	13.9	31.6	15.9	14.1	3.3	15.1	6.2	110.1	3,149.0		
2002-All cows	0.2	1.0	7.9	13.3	29.0	14.1	15.9	3.5	15.3	7.2	107.5	2,920.0		

SOURCE The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III MILK PRICES,(3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2000	10.05	9.54	9.54	9.41	9.37	9.46	10.66	10.13	10.76	10.02	8.57	9.37
2001	9.99	10.27	11.42	12.06	13.83	15.02	15.46	15.55	15.90	14.60	11.31	11.80
2002	11.87	11.63	10.65	10.85	10.82	10.09	9.33	9.54	9.92	10.72	9.84	9.74

FEDERAL MILK ORDER CLASS PRICES FOR 2003 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	10.56	10.23	9.81	9.64	9.71	9.74	9.77	10.97				
II	11.29	10.66	10.54	10.44	10.43	10.46	10.63					
III	9.78	9.66	9.11	9.41	9.71	9.75	11.78					
IV	10.07	9.81	9.79	9.73	9.74	9.76	9.95					

1/ Specific order differentials to be added to this base price are located at www.ams.usda.gov/dyfmos/mib/cls_prod_cmp_pr.htm